

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6945

BILL NUMBER: HB 1279

NOTE PREPARED: Feb 27, 2012

BILL AMENDED: Feb 21, 2012

SUBJECT: Various Natural Resources Matters.

FIRST AUTHOR: Rep. Eberhart

FIRST SPONSOR: Sen. Mishler

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill moves the State Land Office from the Indiana Department of Administration (IDoA) to the Department of Natural Resources (DNR).

Hunting, Fishing, and Trapping: The bill allows fishing by means of a crossbow. It repeals the prohibition on racoon hunting by nonresidents.

Disabled Veteran Hunting and Fishing Licenses: The bill creates a resident license to hunt and fish that is valid for 10 years for certain veterans.

Spotlighting: The bill allows the Director of DNR to give certain individuals permission to spotlight wild animals. It provides that certain regulations related to using a spotlight in the hunting of birds and mammals do not apply to a person acting in accordance with the conditions of a license held by the person.

Silencers: The bill repeals the law that prohibits the possession or use of a silencer while in the act of hunting. It provides that a person who takes or possesses a deer or wild turkey: (1) unlawfully; (2) by illegal methods; or (3) with illegal devices; while using or possessing a silencer commits a Class C misdemeanor. The bill also makes hunting on private land without the permission of the owner a Class B misdemeanor if the person does so while using a silencer.

Lengthened Inspection Cycles: The bill increases the inspection period for each parcel of land classified as native forest land, a forest plantation, or wildlands from five years to seven years.

Nonresident Conservation Officer Licensing: The bill removes a provision allowing a federal Fish and Wildlife Service officer or a conservation officer from another jurisdiction to hunt or fish in Indiana after obtaining a resident license.

The bill increases the number of annual free sport fishing days that may be designated from two to four.

Bait Dealer's License: The bill requires a business that sells or barterers live minnows or crayfish to have a bait dealer's license. (Current law requires a business that takes, catches, sells, or barterers live minnows or crayfish to have a bait dealer's license.)

Game Breeding License: The bill allows the sale of game and furbearing mammals for food purposes under a game breeding license. It disallows a person who acquires a game bird or game mammal from applying for a breeder's license. It also removes swamp rabbits and nutria from the list of exempted animals under a game breeding license.

Invasive Species Pilot Program: The bill makes the invasive species pilot program a permanent program.

Nonresident Roe Harvester and Dealer Licenses: The bill creates a license for nonresident commercial fishing and a license for nonresident roe harvesters on the Ohio River waters of Indiana. It allows the Natural Resources Commission (NRC) to establish fees above the minimum application fees for nonresident roe harvester licenses. (Current law allows the NRC to establish fees above the minimum application fees for resident roe harvester and dealer licenses.) It also gives residents of Indiana priority in receiving roe harvester and dealer licenses. The bill also requires roe harvesters to leave the roe intact in the body of the fish while on the water or adjacent to the water and until processing begins in accordance with the federal rules regarding seafood processing.

Shooting Preserve Special License: The bill requires all individuals to have a hunting license to shoot on a shooting preserve, and removes the requirement that nonresidents have a special license to shoot on shooting preserves.

The bill increases the amount that an office of DNR or the Department of Revenue (DoR) must deposit on the business day following receipt from \$100 to \$500.

The bill requires that hunting license stamps be electronically generated. It removes the requirement that commemorative stamps be furnished to the circuit court.

It removes the authority for an individual with a hunting, trapping, or fishing license to ship, carry, or take outside Indiana in one week more than two times the possession limit for the wild animal.

The bill provides that the entirety of an area declared to be infested with a pest or pathogen must be operated according to standards of the NRC. (Current law specifies the infested area in terms of portions of townships.)

The bill changes the nursery stock certificate expiration date from September 30 to December 31.

The bill changes the procedures that the Commission must follow when mediating surface water disputes.

The bill requires that bonds forfeited under the abandoned oil and gas well law be placed in the Oil and Gas

Environmental Fund.

It also makes technical and conforming changes.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Summary:* This bill contains provisions that may result in reduced expenses, or operating efficiencies. The fiscal impact of the provisions of the bill on expenses are expected to be minor.

Lengthened Inspection Cycles: The bill would allow the Division of Forestry to increase the length of time between required inspections of parcels of land classified as native forest land, a forest plantation, or wildlands. This would allow inspections to continue without expanding the level of resources necessary to accomplish the inspection cycle.

Invasive Species Pilot Program: The bill would make permanent a pilot program that allows the taking of a specified invasive species in the Wabash River by means of firearms or by hand. The DNR would use existing resources to enforce this program as part of the enforcement activities currently undertaken on the Wabash River.

Provisions That Improve Efficiency of Operations-

The bill increases the amount that an office of DNR or the Department of State Revenue must deposit on the business day following receipt from \$100 to \$500.

The bill requires that hunting license stamps be electronically generated. It removes the requirement that commemorative stamps be furnished to the circuit court.

It removes the authority for an individual with a hunting, trapping, or fishing license to ship, carry, or take outside Indiana in one week more than two times the possession limit for the wild animal.

The bill provides that the entirety of an area declared to be infested with a pest or pathogen must be operated according to standards of the Natural Resources Commission. (Current law specifies the infested area in terms of portions of townships.)

The bill changes the nursery stock certificate expiration date from September 30 to December 31.

The bill changes the procedures that the Commission must follow when mediating surface water disputes.

The bill requires that bonds forfeited under the abandoned oil and gas well law be placed in the Oil and Gas Environmental Fund. This provision is consistent with current practice.

Provisions that have no Impact on Expenditures-

This bill moves the State Land Office from IDOA to the DNR.

(Revised) *Hunting, Fishing and Trapping*: The bill allows fishing by means of a crossbow. It repeals the prohibition on racoon hunting by nonresidents.

(Revised) *Spotlighting*: The bill allows the Director of DNR to give certain persons permission to spotlight wild animals.

Explanation of State Revenues: Summary: This bill contains provisions that may impact the number of various DNR licenses sold. The fiscal impact is indeterminate, but likely small. All license fee revenue is deposited into the Fish and Wildlife Fund.

(Revised) *Silencers*: This bill would allow appropriately licensed hunters in season to possess or hunt with a silencer while providing that a person taking a deer or turkey unlawfully while using or possessing a silencer commits a Class C misdemeanor. This penalty provision would be subordinate to the existing penalty of a Class B misdemeanor for unlawfully taking or possessing a deer or wild turkey.

If fewer court cases occur due to the elimination of the Class C misdemeanor for legal hunters, and fewer fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would decrease. The maximum fine for a Class C misdemeanor is \$500. Any change in revenue from this provision would likely be small.

The bill also adds a new penalty of unauthorized hunting on private land with a silencer, a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. Any change in revenue from this provision would likely be small.

Shooting Preserve Special License: The bill would eliminate the requirement that nonresidents hunting on a shooting preserve must have a special license costing \$8.75. To the extent that out-of-state hunters use shooting preserves, the bill may increase the amount of fee revenue associated with nonresident hunting licenses because the nonresident license fee is \$80.

Nonresident Conservation Officer Licensing: The bill would eliminate an exemption that allows nonresidents to acquire resident hunting and fishing licenses. (Currently, the resident hunting license fee is \$17, and the nonresident license fee is \$80. The resident fishing license fee is \$17, and the nonresident license fee is \$35. The resident deer hunting license fee is \$24; the nonresident fee is \$150. A separate deer license is required for each deer taken.) The fiscal impact of this provision would depend on the extent to which the individuals that took advantage of the exemption would purchase nonresident licenses without the exemption. The revenue impact is most likely small.

(Revised) *Game Breeding License*: The bill would allow the sales of game mammals or furbearing mammals for food purposes. The bill also would require that a game breeding license is required to breed swamp rabbits and nutria. These provisions are an expansion of activities allowed under the existing license program that would have little or no fiscal impact. The bill would also disallow a person who acquires a live game bird or game mammal during an open season from applying for a breeder's license. This provision may result in a reduction of license revenue. The revenue impact is most likely small.

Bait Dealer's License: The bill specifies that a person selling or bartering live minnows or crayfish for bait is required to have a bait dealer's license. This provision eliminates an area of potential confusion and should

have little or no fiscal impact.

Disabled Veteran Hunting and Fishing Licenses: The bill creates a resident license to hunt and fish that is valid for 10 years for certain veterans. The bill provides that qualified disabled veterans may obtain fishing, hunting, or combination fishing and hunting licenses that are valid for 10 years by paying a reduced license fee of \$27.50. The annual cost of these licenses is \$2.75. The DNR would see an increase in fees in the first year and a decrease in the subsequent 9 years to the extent that qualified veterans would purchase the 10-year licenses. There were 6,275 hunting, fishing, and combination hunting and fishing licenses sold to qualified disabled veterans in FY 2010. This provision would be fiscally neutral over the 10-year life of the licenses.

[Currently, a resident veteran with a service-connected disability may purchase an annual fishing license for \$2.75; an annual small game hunting license for \$2.75; and a combination hunting and fishing license for \$2.75. (Current undiscounted license fees are the following: annual fishing license for \$17.00; an annual small game hunting license for \$17.00; and a combination hunting and fishing license for \$25.00. Discounted license fees are for basic licenses; game bird, waterfowl, deer, turkey, trout, and salmon stamps must be purchased separately at the regular price.)]

Nonresident Commercial Fishing License: The bill creates a license for nonresident commercial fishing on the Ohio River waters of Indiana. The fee for an Ohio River commercial fishing license and 10 commercial gear tags is \$125. For each block of 10 additional commercial fishing gear tags the fee is \$15. The amount of revenue raised by this provision would depend on the number of additional licenses and commercial fishing gear tags that may be issued to nonresidents.

Nonresident Roe Harvester License: The bill creates a license for nonresident roe harvesters on the Ohio River waters of Indiana. It allows the NRC to establish fees above the minimum application fees specified for nonresident roe harvester licenses.

SEA 532-2011 established a license for roe harvesters who are residents of Indiana. This bill specifies that the Natural Resources Commission may issue licenses for this activity on the Indiana waters of the Ohio River to individuals who are residents and nonresidents. The bill also requires preference for the licenses be given to Indiana residents. The bill reserves roe harvesting licenses on the inland waters of the state for residents. The bill also limits roe dealer licenses to residents of Indiana. The amount of revenue raised by this provision would depend on the total number of licenses issued, the number that are ultimately issued to nonresidents, and the amount the Commission decides to charge for license fees. The current statute requires that the number of licenses issued be limited by the Department of Natural Resources (DNR).

The bill would establish the minimum resident and nonresident roe harvester license for the Ohio River waters of the state at \$1,000. The minimum license fee for a resident license for inland waters is also established at \$1,000. The bill does not establish a nonresident license fee for roe dealers. The Commission may set the application fee higher for nonresidents (or residents) as long as the amount of revenue generated is not more than is reasonably necessary to offset the costs incurred by the Department of Natural Resources in overseeing the program. Fee revenue would be deposited in the Fish and Wildlife Fund.

Background: The DNR has issued seven \$1,000 roe harvester licenses and four \$5,000 roe dealer licenses. The maximum number of roe harvester licenses set by DNR is 15 for the Ohio River and 15 for boundary waters and water of the state, excluding Lake Michigan and the Ohio River.

Explanation of Local Expenditures: (Revised) *Penalty Provision:* A Class C misdemeanor is punishable by up to 60 days in jail. A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: (Revised) *Penalty Provision:* If fewer court actions occur and a fewer guilty verdicts are entered, local governments would receive a reduction in revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: DNR, IDoA, DoR.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: DNR.

Fiscal Analyst: Kathy Norris, 317-234-1360